



General Assembly

January Session, 2023

Raised Bill No. 966

LCO No. 3766



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING THE PROCUREMENT OF STANDARD SERVICE ELECTRICITY AND THE REGULATION OF PUBLIC UTILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 16-19tt of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2023*):

4 (b) In any rate case initiated on or after [July 8, 2013] October 1, 2023,
5 or in a pending rate case for which a final decision has not been issued
6 prior to [July 8, 2013] October 1, 2023, the Public Utilities Regulatory
7 Authority [shall] may order the state's gas and electric distribution
8 companies to decouple distribution revenues from the volume of
9 natural gas and electricity sales. [For electric distribution companies, the
10 decoupling mechanism shall be the adjustment of actual distribution
11 revenues to allowed distribution revenues. For gas distribution
12 companies, the decoupling mechanism shall be a mechanism that does
13 not remove the incentive to support the expansion of natural gas use
14 pursuant to the 2013 Comprehensive Energy Strategy, such as a
15 mechanism that decouples distribution revenue based on a use-per-
16 customer basis. In making its determination on this matter, the authority

17 shall consider the impact of decoupling on the gas or electric
18 distribution company's return on equity and make any necessary
19 adjustments thereto.] The authority shall have the discretion to
20 determine the decoupling mechanism and methodology used in
21 decoupling orders made pursuant to this subsection, subject to the
22 principles set forth in subsection (m) of section 16-2.

23 Sec. 2. Subsection (b) of section 16-243p of the general statutes is
24 repealed and the following is substituted in lieu thereof (*Effective from*
25 *passage*):

26 (b) No [electric distribution] public service company shall recover
27 through rates its costs associated with its attendance [or] in,
28 participation in, preparation for or appeal of any [rate-making hearing]
29 contested proceeding conducted before the authority. Such costs shall
30 include, but need not be limited to, attorneys' fees, fees to engage expert
31 witnesses or consultants and related costs identified by the authority.

32 Sec. 3. (NEW) (*Effective from passage*) (a) No public service company
33 shall recover through rates any cost associated with membership, dues,
34 sponsorships or contributions to a business or industry trade
35 association, group or related entity incorporated under Section 501 of
36 the Internal Revenue Code of 1986, or any subsequent corresponding
37 internal revenue code of the United States, as amended from time to
38 time.

39 (b) No public service company shall recover through rates any cost
40 associated with lobbying or legislative action, as such terms are defined
41 in section 1-91 of the general statutes.

42 (c) No public service company shall recover through rates any cost
43 associated with advertising, marketing or any other related costs
44 identified by the authority, unless such marketing, advertising or
45 related costs are specifically approved or ordered by the authority.

46 Sec. 4. Section 16-19jj of the general statutes is repealed and the
47 following is substituted in lieu thereof (*Effective from passage*):

48 The Public Utilities Regulatory Authority shall, whenever it deems
 49 appropriate, [encourage] permit the use of proposed settlements
 50 produced by alternative dispute resolution mechanisms to resolve
 51 contested cases and proceedings. In order to approve a settlement of a
 52 proceeding to amend rates under section 16-19, the authority shall
 53 determine that the resulting rates and other terms of the settlement
 54 conform to the principles set forth in section 16-19. The term of any
 55 provision in a settlement of a proceeding to amend rates under section
 56 16-19 shall not extend more than three years from such settlement's
 57 approval by the authority. The parties proposing the settlement shall
 58 provide the proposed settlement to all parties and intervenors not less
 59 than three business days before filing the proposed settlement with the
 60 authority. The proposed settlement filed with the authority shall be
 61 accompanied by testimony from not less than one witness representing
 62 each party to the settlement. Any proceeding to amend rates under
 63 section 16-19 that is resolved by a settlement shall not constitute a
 64 general rate hearing for purposes of the periodic review required under
 65 section 16-19a.

66 Sec. 5. Subsection (c) of section 16-19b of the general statutes is
 67 repealed and the following is substituted in lieu thereof (*Effective from*
 68 *passage*):

69 (c) If the authority, after notice and hearing, determines that the
 70 adoption of an energy adjustment clause would protect the interests of
 71 ratepayers of an electric distribution company, ensure economy and
 72 efficiency in energy production and purchase by the electric distribution
 73 company and achieve the objectives set forth in subsection (a) of section
 74 16-19 and in section 16-19e better than would the continued operation
 75 of a fuel adjustment clause and a generation utilization adjustment
 76 clause, the authority shall approve an energy adjustment clause to be
 77 superimposed upon the existing rate schedule of the electric distribution
 78 company. The authority shall design any such energy adjustment clause
 79 to reflect cost-efficient energy resource procurement and to recover the
 80 costs of energy that are proper for rate-making purposes and for which
 81 the authority has not authorized recovery through base rates. These

82 costs, reflecting prudent and efficient management and operations, may
 83 include, but are not limited to, the costs of oil, gas, coal, nuclear fuel,
 84 wood or other fuels, and energy transactions with other utilities,
 85 nonutility generators or power pools [] and all or part of the cost of
 86 conservation and load management. [and the gross earnings tax
 87 imposed by section 12-264 on the revenues from the energy sources
 88 subject to the energy adjustment clause] The authority may establish an
 89 efficiency factor in the energy adjustment clause of each electric
 90 distribution company, that may provide for less than one hundred per
 91 cent recovery of the gross earnings tax imposed pursuant to section 12-
 92 264 on the revenues from such purchased energy. The authority shall
 93 design the energy adjustment clause to provide for recovery of energy
 94 costs prudently incurred by an electric distribution company in
 95 accordance with section 16-19e. Notwithstanding the provisions of
 96 section 16-19, the authority shall change an energy adjustment clause in
 97 accordance with the provisions of subsections (e) and (h) of this section.
 98 An energy adjustment clause approved pursuant to this section shall
 99 apply to all electric distribution companies similarly affected by the
 100 costs which form the basis for the adjustment clause.

101 Sec. 6. Section 16-19yy of the general statutes is repealed and the
 102 following is substituted in lieu thereof (*Effective from passage*):

103 (a) Notwithstanding any provision of the general statutes, in
 104 exercising its discretion regarding whether to allow the recovery
 105 through rates of any portion of the compensation package for executives
 106 or officers or of any portion of any incentive compensation for
 107 employees of any electric distribution company, gas company or water
 108 company, as defined in section 16-1, the Public Utilities Regulatory
 109 Authority shall consider whether to require that any such compensation
 110 that is recoverable through rates be dependent upon the achievement of
 111 performance targets. [established pursuant to section 16-244aa.]

112 (b) The total amount of compensation for any executives or officers
 113 of the parent company of any electric distribution company, gas
 114 company or water company, as defined in section 16-1, shall not exceed

115 the base compensation of such executives or officers by five per cent or
116 more.

117 (c) Whenever an increase of more than ten per cent occurs between
118 billing periods of (1) the standard service rate established pursuant to
119 section 16-244c, (2) the energy adjustment clause or purchased gas
120 adjustment clause established pursuant to section 16-19b, or (3) a water
121 company rate adjustment mechanism established pursuant to section
122 16-262w, any public service company with rates incorporating the
123 increase shall provide a monthly bill credit to its customers equal to the
124 total compensation of its executives and officers that is recovered
125 through rates in such monthly bill. Such company or companies shall
126 provide the bill credit for a period of not less than six months.

127 Sec. 7. (NEW) (*Effective from passage*) On and after January 1, 2024,
128 new electric plant additions shall not be eligible for cost recovery
129 through an on-bill reconciling mechanism first authorized in 2018.

130 Sec. 8. Subsection (b) of section 16-19gg of the general statutes is
131 repealed and the following is substituted in lieu thereof (*Effective from*
132 *passage*):

133 (b) [In any rate amendment proposed on and after May 19, 1992, by a
134 public service company, as defined by section 16-1, the Public Utilities
135 Regulatory Authority shall analyze the effect on ratepayers of a public
136 service company's provision of reduced or free utility service to its
137 employees.] During each proceeding on a rate amendment under
138 section 16-19 proposed by an electric distribution company, gas
139 company or water company, the Public Utilities Regulatory Authority
140 shall consider the following factors in determining a reasonable rate of
141 return: (1) Macroeconomic conditions at the time the rate amendment is
142 pending before the authority; (2) the company's compliance with state
143 law, regulations and decisions and the policies of the authority; (3) the
144 burden of energy costs on residential ratepayers, measured as a
145 percentage of household income, under the current and proposed rate;
146 (4) trends in the company's accrual of bad debt; and (5) any other issue

147 deemed relevant by the authority.

148 Sec. 9. Section 16-19 of the general statutes is repealed and the
149 following is substituted in lieu thereof (*Effective from passage*):

150 (a) No public service company may charge rates in excess of those
151 previously approved by the Public Utilities Control Authority or the
152 Public Utilities Regulatory Authority, except that any rate approved by
153 the Public Utilities Commission, the Public Utilities Control Authority
154 or the Public Utilities Regulatory Authority shall be permitted until
155 amended by the Public Utilities Regulatory Authority, that rates not
156 approved by the Public Utilities Regulatory Authority may be charged
157 pursuant to subsection (b) of this section, and that the hearing
158 requirements with respect to adjustment clauses are as set forth in
159 section 16-19b. For water companies, existing rates shall include the
160 amount of any adjustments approved pursuant to section 16-262w since
161 the company's most recent general rate case, provided any adjustment
162 amount shall be separately identified in any customer bill. Each public
163 service company shall file any proposed amendment of its existing rates
164 with the authority in such form and in accordance with such reasonable
165 regulations as the authority may prescribe. Each electric distribution,
166 gas or telephone company filing a proposed amendment shall also file
167 with the authority an estimate of the effects of the amendment, for
168 various levels of consumption, on the household budgets of high and
169 moderate income customers and customers having household incomes
170 not more than one hundred fifty per cent of the federal poverty level.
171 Each electric distribution company shall also file such an estimate for
172 space heating customers. Each water company, except a water company
173 that provides water to its customers less than six consecutive months in
174 a calendar year, filing a proposed amendment, shall also file with the
175 authority a plan for promoting water conservation by customers in such
176 form and in accordance with a memorandum of understanding entered
177 into by the authority pursuant to section 4-67e. Each public service
178 company shall notify each customer who would be affected by the
179 proposed amendment, by mail, at least one week prior to the first public
180 hearing thereon, but not earlier than six weeks prior to such first public

181 hearing, that an amendment has been or will be requested. Such notice
182 shall also indicate (1) the date, time and location of any scheduled public
183 hearing, (2) a statement that customers may provide written comments
184 regarding the proposed amendment to the Public Utilities Regulatory
185 Authority or appear in person at any scheduled public hearing, (3) the
186 Public Utilities Regulatory Authority telephone number for obtaining
187 information concerning the schedule for public hearings on the
188 proposed amendment, and (4) whether the proposed amendment
189 would, in the company's best estimate, increase any rate or charge by
190 [twenty] five per cent or more, and, if so, describe in general terms any
191 such rate or charge and the amount of the proposed increase. [, provided
192 no such company shall be required to provide more than one form of
193 the notice to each class of its customers.] The costs of providing such
194 notice shall not be recoverable in rates. If a company fails to provide
195 adequate notice, the authority shall consider the effective filing date of
196 such company's proposed amendment to be the date that the company
197 provides adequate notice to customers, as determined by the authority.
198 Until the effective filing date, no days shall count toward the time limit
199 in this subsection. In the case of a proposed amendment to the rates of
200 any public service company, the authority shall hold one or more public
201 hearings thereon, except as permitted with respect to interim rate
202 amendments by subsections (d) and (g) of this section, and shall make
203 such investigation of such proposed amendment of rates as is necessary
204 to determine whether such rates conform to the principles and
205 guidelines set forth in section 16-19e, or are unreasonably
206 discriminatory or more or less than just, reasonable and adequate, or
207 that the service furnished by such company is inadequate to or in excess
208 of public necessity and convenience, provided the authority may (A)
209 evaluate the reasonableness and adequacy of the performance or service
210 of the public service company using any applicable metrics or standards
211 adopted by the authority pursuant to section 16-244aa, and (B)
212 determine the reasonableness of the allowed rate of return of the public
213 service company based on such performance evaluation. The authority,
214 if in its opinion such action appears necessary or suitable in the public
215 interest may, and, upon written petition or complaint of the state, under

216 direction of the Governor, shall, make the aforesaid investigation of any
217 such proposed amendment which does not involve an alteration in
218 rates. If the authority finds any proposed amendment of rates to not
219 conform to the principles and guidelines set forth in section 16-19e, or
220 to be unreasonably discriminatory or more or less than just, reasonable
221 and adequate to enable such company to provide properly for the public
222 convenience, necessity and welfare, or the service to be inadequate or
223 excessive, it shall determine and prescribe, as appropriate, an adequate
224 service to be furnished or just and reasonable maximum rates and
225 charges to be made by such company. In the case of a proposed
226 amendment filed by an electric distribution, gas or telephone company,
227 the authority shall also adjust the estimate filed under this subsection of
228 the effects of the amendment on the household budgets of the
229 company's customers, in accordance with the rates and charges
230 approved by the authority. The authority shall issue a final decision on
231 [each electric distribution or gas company] any public service company
232 rate filing within three hundred fifty days from the [proposed] effective
233 filing date [thereof. The authority shall issue a final decision on all public
234 service company rate filings, except electric distribution or gas company
235 rate filings, within two hundred days from the proposed effective date
236 thereof] of the proposed amendment.

237 (b) If the authority has not made its finding respecting an amendment
238 of any [electric distribution or gas] public service company rate within
239 three hundred fifty days from the proposed effective date of such
240 amendment thereof, [or if the authority has not made its finding
241 respecting an amendment of any public service company rate, except an
242 electric distribution or a gas company rate, within two hundred days
243 from the proposed effective date of such amendment thereof,] such
244 amendment may become effective pending the authority's finding with
245 respect to such amendment upon the filing by the company with the
246 authority of assurance satisfactory to the authority, which may include
247 a bond with surety, of the company's ability and willingness to refund
248 to its customers with interest such amounts as the company may collect
249 from them in excess of the rates fixed by the authority in its finding or

250 fixed at the conclusion of any appeal taken as a result of a finding by the
251 authority.

252 (c) Upon conclusion of its investigation of the reasonableness of any
253 proposed increase of rates, the authority shall order the company to
254 refund to its customers with interest any amounts the company may
255 have collected from them during the period that any amendment
256 permitted by subsection (b) of this section was in force, which amounts
257 the authority may find to have been in excess of the rates fixed by the
258 authority in its finding or fixed at the conclusion of any appeal taken as
259 a result of a finding by the authority. Any such refund ordered by the
260 authority shall be paid by the company, under direction of the authority,
261 to its customers in such amounts as are determined by the authority.

262 (d) Nothing in this section shall be construed to prevent the authority
263 from approving an interim rate increase, if the authority finds that such
264 an interim rate increase is necessary to prevent substantial and material
265 deterioration of the financial condition of a public service company, to
266 prevent substantial deterioration of the adequacy and reliability of
267 service to its customers or to conform to the applicable principles and
268 guidelines set forth in section 16-19e, provided the authority shall first
269 hold a special public hearing on the need for such interim rate increase
270 and the company, at least one week prior to such hearing, notifies each
271 customer who would be affected by the interim rate increase that such
272 an increase is being requested. The company shall include the notice in
273 a mailing of customer bills, unless such a mailing would not provide
274 timely notice, in which case the authority shall authorize an alternative
275 manner of providing such notice. Any such interim rate increase shall
276 only be permitted if the public service company submits an assurance
277 satisfactory to the authority, which may include a bond with surety, of
278 the company's ability and willingness to refund to its customers with
279 interest such amounts as the company may collect from such interim
280 rates in excess of the rates approved by the authority in accordance with
281 subsection (a) of this section. The authority shall order a refund in an
282 amount equal to the excess, if any, of the amount collected pursuant to
283 the interim rates over the amount which would have been collected

284 pursuant to the rates finally approved by the authority in accordance
285 with subsection (a) of this section or fixed at the conclusion of any
286 appeal taken as a result of any finding by the authority. Such refund
287 ordered by the authority shall be paid by the company to its customers
288 in such amounts and by such procedure as ordered by the authority.

289 (e) If the authority finds that the imposition of any increase in rates
290 would create a hardship for a municipality, because such increase is not
291 reflected in its then current budget, or cannot be included in the budget
292 of its fiscal year which begins less than five months after the effective
293 date of such increase, the authority may defer the applicability of such
294 increase with respect to services furnished to such municipality until the
295 fiscal year of such municipality beginning not less than five months
296 following the effective date of such increase; provided the revenues lost
297 to the public service company through such deferral shall be paid to the
298 public service company by the municipality in its first fiscal year
299 following the period of such deferral.

300 (f) [Any] No public service company, as defined in section 16-1, may
301 [filing] file an application with the Public Utilities Regulatory Authority
302 to reopen a rate proceeding under this section, [, which application
303 proposes to increase the company's revenues or any rate or charge of the
304 company by five per cent or more, shall, not later than one week prior
305 to the hearing under the reopened proceeding, notify each customer
306 who would be affected thereby that such an application is being filed.
307 Such notice shall indicate the rate increases proposed in the application.
308 The company shall include the notice in a mailing of customer bills,
309 unless such a mailing would not provide timely notice to customers of
310 the reopening of the proceeding, in which case the authority shall
311 authorize an alternative manner of providing such notice.]

312 (g) The authority shall hold either a special public hearing or combine
313 an investigation with an ongoing four-year review conducted in
314 accordance with section 16-19a or with a general rate hearing conducted
315 in accordance with subsection (a) of this section on the need for an
316 interim rate decrease (1) when a public service company has, for the

317 rolling twelve-month period ending with the two most recent
318 consecutive financial quarters, earned a return on equity which exceeds
319 the return authorized by the authority by at least [one] one-half of one
320 percentage point, (2) if it finds that any change in municipal, state or
321 federal tax law creates a significant increase in a company's rate of
322 return, or (3) if it [finds] provides appropriate notice that a public service
323 company may be collecting rates or may have an authorized rate of
324 return which is or are more than just, reasonable and adequate, as
325 determined by the authority, provided the authority shall require
326 appropriate notice of hearing to the company and its customers who
327 would be affected by an interim rate decrease in such form as the
328 authority deems reasonable. The company shall be required to
329 demonstrate to the satisfaction of the authority that earning such a
330 return on equity, having an authorized rate of return or collecting rates
331 which are more than just, reasonable and adequate is directly beneficial
332 to its customers. At the completion of the proceeding, the authority may
333 order an interim rate decrease if it finds that such return on equity or
334 rates exceeds a reasonable rate of return or is more than just, reasonable
335 and adequate as determined by the authority. Any such interim rate
336 decrease shall be subject to a customer surcharge if the interim rates
337 collected by the company are less than the rates finally approved by the
338 authority or fixed at the conclusion of any appeal taken as a result of any
339 finding by the authority. Such surcharge shall be assessed against
340 customers in such amounts and by such procedure as ordered by the
341 authority.

342 (h) The provisions of this section shall not apply to the regulation of
343 a telecommunications service which is a competitive service, as defined
344 in section 16-247a, or to a telecommunications service to which an
345 approved plan for an alternative form of regulation applies, pursuant to
346 section 16-247k.

347 (i) No public service company may file an application to amend its
348 rates pursuant to this section or section 16-19e if, at the time of the
349 company's filing, another public service company with the same parent
350 company has an application to amend its rates pending before the

351 authority. The authority may waive this provision upon a showing of
352 good cause or at the authority's discretion.

353 Sec. 10. Subsection (a) of section 16-19a of the general statutes is
354 repealed and the following is substituted in lieu thereof (*Effective from*
355 *passage*):

356 (a) (1) The Public Utilities Regulatory Authority shall, at intervals of
357 not more than four years from the last previous general rate hearing of
358 each gas [and] company, electric distribution company or water
359 company having more than seventy-five thousand customers, conduct
360 a complete review and investigation of the financial and operating
361 records of each such company and hold a public hearing to determine
362 whether the rates of each such company are unreasonably
363 discriminatory or more or less than just, reasonable and adequate, or
364 that the service furnished by such company is inadequate to or in excess
365 of public necessity and convenience or that the rates do not conform to
366 the principles and guidelines set forth in section 16-19e. In making such
367 determination, the authority shall consider the gross and net earnings
368 of such company since its last previous general rate hearing, its retained
369 earnings, its actual and proposed capital expenditures, its advertising
370 expenses, the dividends paid to its stockholders, the rate of return paid
371 on its preferred stock, bonds, debentures and other obligations, its credit
372 rating, and such other financial and operating information as the
373 authority may deem pertinent.

374 (2) The authority may conduct a general rate hearing in accordance
375 with subsection (a) of section 16-19, in lieu of the periodic review and
376 investigation proceedings required under subdivision (1) of this
377 subsection. The authority may convene such general rate hearing at an
378 interval of less than four years at the discretion of the authority.

379 Sec. 11. Subdivision (4) of subsection (b) of section 16-8 of the general
380 statutes is repealed and the following is substituted in lieu thereof
381 (*Effective from passage*):

382 (4) A complete audit of each portion of each gas company, [or] electric

383 distribution company or water company having more than seventy-five
384 thousand customers shall begin no less frequently than every six years,
385 so that a complete audit of such a company's operations shall be
386 performed every six years. Such an audit of each such company having
387 more than seventy-five thousand customers shall be updated as
388 required by the authority.

389 Sec. 12. Subdivision (6) of subsection (b) of section 16-8 of the general
390 statutes is repealed and the following is substituted in lieu thereof
391 (*Effective from passage*):

392 (6) [All reasonable and proper] No costs and expenses [, as
393 determined by the authority,] of complying with any order of the
394 authority pursuant to this subsection shall be recognized by the
395 authority [for all purposes] as proper business expenses of the affected
396 company or person.

397 Sec. 13. Section 16-19bb of the general statutes is repealed and the
398 following is substituted in lieu thereof (*Effective from passage*):

399 The Public Utilities Regulatory Authority shall require that any funds
400 held by an electric distribution company in excess of the company's
401 authorized return on equity, which funds are intended by the authority
402 to offset future rate increases in lieu of a present rate decrease, shall be
403 applied to such rate increases or shall be refunded to the company's
404 customers, [within one year of receipt] in a manner determined by the
405 authority, not later than the conclusion of the company's next
406 proceeding conducted pursuant to section 16-19a.

407 Sec. 14. Section 16-35 of the general statutes is amended by adding
408 subsection (d) as follows (*Effective from passage*):

409 (NEW) (d) In an appeal, the Public Utilities Regulatory Authority
410 may only stay enforcement of a civil penalty if the person appealing the
411 order, authorization or decision that imposed the penalty provides an
412 escrow deposit, bond or other surety equal to the total amount of the
413 penalty. To obtain a stay of enforcement of any other order,

414 authorization or decision of the authority, the person appealing such
415 order, authorization or decision bears the burden of demonstrating that:
416 (1) There is a strong likelihood that the appeal will succeed; (2) the
417 person appealing will suffer substantial and irreparable harm absent a
418 stay; and (3) the stay will not be harmful to the public interest.

419 Sec. 15. Section 16-16 of the general statutes is repealed and the
420 following is substituted in lieu thereof (*Effective from passage*):

421 (a) Each public service company, person involved in the
422 transportation of gas, as such terms are defined in section 16-280a, and
423 electric supplier subject to regulation by the Public Utilities Regulatory
424 Authority shall, in the event of any accident attended with personal
425 injury or involving public safety, which was or may have been
426 connected with or due to the operation of its property, or caused by
427 contact with the wires of any public service company or electric
428 supplier, notify the authority thereof, by contacting the chairperson of
429 the authority or the chairperson's designee by telephone or otherwise,
430 as soon as may be reasonably possible after the occurrence of such
431 accident, but not later than twelve hours after the occurrence, unless
432 such accident is a minor accident, [, as defined by regulations of the
433 authority.] Each such person, company or electric supplier shall report
434 such minor accidents to the authority in writing, in summary form, once
435 each month. If notice of such accident, other than a minor accident, is
436 given otherwise than in writing, it shall be confirmed in writing within
437 five days after the occurrence of such accident. [Any person, company
438 or electric supplier failing to comply with the provisions of this section
439 shall be fined not more than five hundred dollars for each offense.]

440 (b) The monthly report required pursuant to subsection (a) of this
441 section shall incorporate the information described in section 16-19ee.

442 (c) Any person, company or electric supplier failing to comply with
443 the provisions of this section shall be fined not more than one thousand
444 dollars for each offense. A violation of this section shall constitute a
445 continued violation, pursuant to section 16-41, for the period from the

446 date the person, company or electric supplier is required to notify the
447 authority of the accident until the date the authority receives such
448 notification in writing.

449 (d) Any restitution ordered by the authority pursuant to section 16-
450 41 for customer equipment or customer property damaged in a major or
451 minor accident shall equal the replacement value of such equipment or
452 property. The fines imposed in accordance with subsection (c) of this
453 section shall not reduce or limit the amount of any restitution.

454 (e) Any costs incurred by an electric distribution company pursuant
455 to this section shall not be recoverable through rates.

456 Sec. 16. Section 16-19ee of the general statutes is repealed and the
457 following is substituted in lieu thereof (*Effective from passage*):

458 Each electric distribution company shall, in its [periodic] monthly
459 report to the Public Utilities Regulatory Authority [,] required pursuant
460 to section 16-16, provide information concerning the primary cause of
461 all planned and unplanned electrical outages [,] affecting fifty or more
462 customers in the preceding month that is the subject of such report and
463 shall indicate which outages resulted from a power surge.

464 Sec. 17. Subsection (b) of section 16-49 of the general statutes is
465 repealed and the following is substituted in lieu thereof (*Effective July 1,*
466 *2023*):

467 (b) On or before July 15, 1999, and on or before May first, annually
468 thereafter, each company shall report its intrastate gross revenues of the
469 preceding calendar year to the Public Utilities Regulatory Authority,
470 which amount shall be subject to audit by the authority. For each fiscal
471 year, each company shall pay the authority the company's share of all
472 expenses of the department's Bureau of Energy and Technology, the
473 Office of Consumer Counsel, the Office of Policy and Management's
474 expenses related to the duties under sections 16-330b and 16-330c and
475 the operations of the Public Utilities Regulatory Authority for such fiscal
476 year. The authority shall not recognize such assessments as normal

477 operating costs of each company and the assessments shall not be
 478 recoverable through rates. On or before September first, annually, the
 479 authority shall give to each company a statement which shall include:
 480 (1) The amount appropriated to the department's Bureau of Energy and
 481 Technology, the Office of Consumer Counsel, the Office of Policy and
 482 Management's expenses related to the duties under sections 16-330b and
 483 16-330c₂ [and] the operations of the Public Utilities Regulatory
 484 Authority and the operations of any nonprofit agency engaged in
 485 energy assistance programs for the fiscal year beginning July first of the
 486 same year; (2) the total gross revenues of all companies; and (3) the
 487 proposed assessment against the company for the fiscal year beginning
 488 on July first of the same year, adjusted to reflect the estimated payment
 489 required under subdivision (1) of subsection (c) of this section. Such
 490 proposed assessment shall be calculated by multiplying the company's
 491 percentage share of the total gross revenues as specified in subdivision
 492 (2) of this subsection by the total revenue appropriated to the
 493 department's Bureau of Energy and Technology, the Office of Consumer
 494 Counsel, the Office of Policy and Management's expenses related to the
 495 duties under sections 16-330b and 16-330c₂ [and] the operations of the
 496 Public [Utility] Utilities Regulatory Authority and the operations of any
 497 nonprofit agency engaged in energy assistance programs, as specified
 498 in subdivision (1) of this subsection.

499 Sec. 18. Subsection (d) of section 16-49 of the general statutes is
 500 repealed and the following is substituted in lieu thereof (*Effective July 1,*
 501 *2023*):

502 (d) Immediately following the close of each fiscal year, the authority
 503 shall recalculate the proposed assessment of each company, based on
 504 the expenses, as determined by the Comptroller, of the department's
 505 Bureau of Energy and Technology, the Office of Consumer Counsel, the
 506 Office of Policy and Management's expenses related to the duties under
 507 sections 16-330b and 16-330c₂ [and] the operations of the Public Utilities
 508 Regulatory Authority and the operations of any nonprofit agency
 509 engaged in energy assistance programs for such fiscal year. On or before
 510 September first, annually, the authority shall give to each company a

511 statement showing the difference between its recalculated assessment
512 and the amount previously paid by the company.

513 Sec. 19. (NEW) (*Effective from passage*) (a) As used in this section:

514 (1) "Compensation" means payment by any public service company
515 that is a party to a proceeding before the Public Utilities Regulatory
516 Authority for all or part, as determined by the authority, of a
517 stakeholder group's reasonable attorneys' fees, reasonable expert
518 witness fees and other reasonable costs for preparation and
519 participation in such proceeding before the authority. Such
520 compensation shall be limited to not more than two hundred thousand
521 dollars for each stakeholder group, and not more than six hundred
522 thousand dollars for all stakeholder groups in each proceeding.

523 (2) "Stakeholder group" means (A) a group of persons designated an
524 intervenor pursuant to section 4-177a of the general statutes or
525 designated a participant pursuant to section 16-1-135 of the regulations
526 of Connecticut state agencies that applies jointly for an award of
527 compensation under this section and represents the interests of more
528 than one (i) residential utility customer residing in an environmental
529 justice community, as defined in section 22a-20a of the general statutes,
530 or (ii) small business customer; or (B) a nonprofit organization in the
531 state authorized to represent the interests of (i) residential utility
532 customers residing in an environmental justice community, as defined
533 in section 22a-20a of the general statutes, or (ii) small business
534 customers. "Stakeholder group" does not include any nonprofit or other
535 organization whose principal interests are the welfare of a public service
536 company or its investors or employees, or the welfare of one or more
537 businesses or industries which receive utility service primarily for use
538 in connection with the manufacture, sale or distribution of goods or
539 services for profit.

540 (3) "Other reasonable costs" means reasonable out-of-pocket expenses
541 incurred by the stakeholder group that are directly related to the group's
542 preparation for or participation in the proceeding before the authority

543 that resulted in a substantial contribution.

544 (4) "Proceeding" means a contested case, investigation, rulemaking or
545 other formal proceeding before the authority, or alternative dispute
546 resolution ordered by the authority.

547 (5) "Significant financial hardship" means that a stakeholder group is
548 unable to afford to pay the costs of effectively participating in the
549 proceeding, including attorneys' fees, expert witness fees and other
550 reasonable costs, without undue hardship.

551 (6) "Small business customer" means a commercial or industrial
552 electric customer with less than a two hundred kilowatt peak load.

553 (7) "Substantial contribution" means participation by a stakeholder
554 group in a proceeding that, in the judgment of the chairman of the
555 authority, may substantially assist the authority in making its decision
556 or part of its decision because the authority may adopt one or more
557 factual contentions, legal contentions or policy or procedural
558 recommendations that the stakeholder group presents.

559 (b) A stakeholder group who seeks designation as an intervenor
560 pursuant to section 4-177a of the general statutes or a participant
561 pursuant to section 16-1-135 of the regulations of Connecticut state
562 agencies may apply for an award of compensation under this section in
563 a proceeding. At the same time or before filing its application, the
564 stakeholder group shall serve on every party, intervenor or participant
565 to the proceeding notice of intent to apply for an award of
566 compensation. The authority shall determine appropriate procedures
567 for accepting and responding to such applications, and may require that
568 applicants attend educational trainings sponsored or recommended by
569 the authority as a condition of receiving an award of compensation. Any
570 such trainings shall be designed to support public participation and
571 public understanding of authority decisions and rulings, and general
572 education and awareness regarding public service company regulation
573 and operations, and shall include resources for the public that explain
574 the role and function of the authority and the Office of Consumer

575 Counsel. In its performance of duties pursuant to this subsection, the
576 authority may retain consultants to provide training in areas in which
577 staff expertise does not currently exist or when necessary to supplement
578 existing staff expertise, and may incur other reasonable costs, provided
579 the total costs incurred by the authority under this subsection do not
580 exceed one million dollars per year.

581 (c) An application shall include:

582 (1) A statement of the nature and extent and the factual and legal
583 basis of the stakeholder's planned participation, to the extent it is
584 possible to describe such participation with reasonable specificity at the
585 time the application is filed.

586 (2) A detailed description of anticipated attorneys' and expert witness
587 fees and other costs of preparation for and participation in the
588 proceeding.

589 (3) If participation will impose a significant financial hardship and
590 the stakeholder group seeks advance payment of an award of
591 compensation in order to initiate, continue or complete participation in
592 the proceeding, the stakeholder group shall include evidence of
593 significant financial hardship in its application.

594 (4) Any other requirements, as determined by the authority.

595 (d) (1) Not later than thirty days after receiving a stakeholder group's
596 application, the authority shall decide if the stakeholder group's
597 participation constitutes a substantial contribution. If the authority finds
598 that such participation is a substantial contribution, the authority shall
599 describe this substantial contribution and determine the amount of
600 compensation pursuant to subdivision (2) of this subsection.

601 (2) Notwithstanding subsection (e) of this section, if the authority
602 finds that the stakeholder group has significant financial hardship, the
603 authority may direct the public service company or companies subject
604 to the proceeding to pay all or part of the expected compensation, as

605 determined by the authority, to the stakeholder group before the end of
606 the proceeding. If the stakeholder group discontinues its participation
607 in the proceeding without the consent of the authority, the authority
608 may recover all or part of any payments made to such stakeholder and
609 refund such payments to the public service company or companies that
610 made the payments.

611 (3) The calculation of compensation pursuant to subdivision (2) of
612 this subsection shall take into consideration the compensation paid to
613 attorneys, expert witnesses and other persons of comparable training
614 and experience who offer similar services as the services relevant to the
615 stakeholder group's application and compensation.

616 (4) Each stakeholder group shall return any unused compensation to
617 the authority, which the authority shall refund to the public service
618 company or companies that provided the compensation.

619 (5) The authority shall require that every stakeholder group maintain
620 an itemized record of all expenditures incurred as a result of the
621 proceeding. The authority may use the record to verify the stakeholder
622 group's claim of financial hardship and to determine if any unused
623 funds remain at the completion of a proceeding.

624 (6) If the authority determines that two or more stakeholder groups
625 have substantially similar interests, the authority may require such
626 stakeholder groups to apply jointly in order to receive compensation.

627 (e) Any compensation shall be paid at the conclusion of the
628 proceeding by the public service company, in a manner determined by
629 the authority. Compensation shall be paid by all relevant public service
630 companies in proportion to such companies' relative annual load,
631 number of customers or revenue, as determined by the authority.

632 (f) The authority shall not award compensation to any stakeholder
633 group that delays or obstructs, or attempts to delay or obstruct, the
634 orderly and timely fulfillment of the authority's duties under this title.

635 Sec. 20. (NEW) (*Effective from passage*) The Public Utilities Regulatory
636 Authority shall study the procurement processes, policies, procedures
637 and timelines associated with the procurement of standard service and
638 supplier of last resort service and shall submit a report on its findings
639 and recommendations to the joint standing committee of the General
640 Assembly having cognizance of matters relating to energy, in
641 accordance with the provisions of section 11-4a of the general statutes.

642 Sec. 21. Subsection (a) of section 16-32l of the general statutes is
643 repealed and the following is substituted in lieu thereof (*Effective October*
644 *1, 2023*):

645 (a) For the purposes of this section: ["emergency" has the same
646 meaning as provided in subdivision (1) of subsection (a) of section 16-
647 32e and "electric distribution company"]

648 (1) "Emergency" means any hurricane, tornado, storm, flood, high
649 water, wind-driven water, tidal wave, earthquake, landslide, mudslide,
650 snowstorm, drought or fire explosion that results in sixty-nine per cent
651 or less of the electric distribution company's customers experiencing an
652 outage at the period of peak electrical demand;

653 (2) "Electric distribution company" has the same meaning as
654 provided in section 16-1; and

655 (3) "After the occurrence of an emergency" means the conclusion of
656 the emergency, as determined by the authority in its sole discretion,
657 through a review of the following: (A) The time when the electric
658 distribution company could first deploy resources safely in its service
659 territory; (B) the first of any official declarations concerning the end of
660 the emergency; or (C) the expiration of the first of any National Weather
661 Service warning applicable to the service territory.

662 Sec. 22. Subsection (d) of section 16-32l of the general statutes is
663 repealed and the following is substituted in lieu thereof (*Effective October*
664 *1, 2023*):

665 (d) Not later than fourteen calendar days after the occurrence of an
 666 emergency, an electric distribution company may petition the authority
 667 for a waiver of the requirements of this section, provided the authority
 668 shall not grant a waiver for any emergency that results in less than ten
 669 per cent of the electric distribution company's customers experiencing
 670 an outage at the period of peak electrical demand. Any petition for a
 671 waiver made under this subsection shall include the severity of the
 672 emergency, [employee] line and restoration crew safety issues and
 673 conditions on the ground, and shall be conducted as a contested case
 674 proceeding. The burden of proving that such waiver is reasonable and
 675 warranted shall be on the electric distribution company. In determining
 676 whether to grant such waiver, the authority shall consider whether the
 677 electric distribution company received approval and reasonable
 678 funding allowances, as determined by the authority, to meet
 679 infrastructure resiliency efforts to improve such company's
 680 performance.

681 Sec. 23. Subsection (a) of section 16-32m of the general statutes is
 682 repealed and the following is substituted in lieu thereof (*Effective October*
 683 *1, 2023*):

684 (a) For the purposes of this section: ["emergency" has the same
 685 meaning as provided in subdivision (1) of subsection (a) of section 16-
 686 32e and "electric distribution company"]

687 (1) "Emergency" means any hurricane, tornado, storm, flood, high
 688 water, wind-driven water, tidal wave, earthquake, landslide, mudslide,
 689 snowstorm, drought or fire explosion that results in sixty-nine per cent
 690 or less of the electric distribution company's customers experiencing an
 691 outage at the period of peak electrical demand;

692 (2) "Electric distribution company" has the same meaning as
 693 provided in section 16-1; and

694 (3) "After the occurrence of an emergency" means the conclusion of
 695 the emergency, as determined by the authority in its sole discretion,
 696 through a review of the following: (A) The time when the electric

697 distribution company could first deploy resources safely in its service
698 territory; (B) the first of any official declarations concerning the end of
699 the emergency; or (C) the expiration of the first of any National Weather
700 Service warning applicable to the service territory.

701 Sec. 24. Subsection (d) of section 16-32m of the general statutes is
702 repealed and the following is substituted in lieu thereof (*Effective October*
703 *1, 2023*):

704 (d) Not later than fourteen calendar days after the occurrence of an
705 emergency, an electric distribution company may petition the authority
706 for a waiver of the requirements of this section, provided the authority
707 shall not grant a waiver for any emergency that results in less than ten
708 per cent of the electric distribution company's customers experiencing
709 an outage at the period of peak electrical demand. Any petition for a
710 waiver made under this subsection shall include the severity of the
711 emergency, [employee] line and restoration crew safety issues and
712 conditions on the ground, and shall be conducted as a contested case
713 proceeding. The burden of proving that such waiver is reasonable and
714 warranted shall be on the electric distribution company. In determining
715 whether to grant such waiver, the authority shall consider whether the
716 electric distribution company received approval and reasonable
717 funding allowances, as determined by the authority, to meet
718 infrastructure resiliency efforts to improve such company's
719 performance.

720 Sec. 25. (*Effective July 1, 2023*) The sum of five million dollars is
721 appropriated to the Department of Energy and Environmental
722 Protection from the Consumer Counsel and Public Utility Control Fund,
723 for the fiscal year ending June 30, 2024, for the Public Utilities
724 Regulatory Authority to expand its regulatory operations over each
725 electric distribution company, gas company and water company, and to
726 hire or recruit any staff necessary for such expanded operations.

727 Sec. 26. (*Effective July 1, 2023*) The sum of two million dollars is
728 appropriated to the Department of Energy and Environmental

729 Protection from the Consumer Counsel and Public Utility Control Fund,
 730 for the fiscal year ending June 30, 2024, for the Public Utilities
 731 Regulatory Authority to investigate the preparation for and response to
 732 storms or other emergency events by public service companies, and to
 733 hire or recruit any staff necessary for such investigation.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2023</i>	16-19tt(b)
Sec. 2	<i>from passage</i>	16-243p(b)
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	16-19jj
Sec. 5	<i>from passage</i>	16-19b(c)
Sec. 6	<i>from passage</i>	16-19yy
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	16-19gg(b)
Sec. 9	<i>from passage</i>	16-19
Sec. 10	<i>from passage</i>	16-19a(a)
Sec. 11	<i>from passage</i>	16-8(b)(4)
Sec. 12	<i>from passage</i>	16-8(b)(6)
Sec. 13	<i>from passage</i>	16-19bb
Sec. 14	<i>from passage</i>	16-35(d)
Sec. 15	<i>from passage</i>	16-16
Sec. 16	<i>from passage</i>	16-19ee
Sec. 17	<i>July 1, 2023</i>	16-49(b)
Sec. 18	<i>July 1, 2023</i>	16-49(d)
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>October 1, 2023</i>	16-32l(a)
Sec. 22	<i>October 1, 2023</i>	16-32l(d)
Sec. 23	<i>October 1, 2023</i>	16-32m(a)
Sec. 24	<i>October 1, 2023</i>	16-32m(d)
Sec. 25	<i>July 1, 2023</i>	New section
Sec. 26	<i>July 1, 2023</i>	New section

Statement of Purpose:

To (1) require the Public Utilities Regulatory Authority to study standard service procurement, (2) prohibit recovery by public utilities of certain costs in rates, (3) amend ratemaking procedures and rate case

regulations, including by placing limits on the use of settlements and requiring utilities to fund certain stakeholder groups' participation in rate cases, (4) regulate the compensation of executives and officers at public utility companies or parent companies, (5) change accident reporting rules, (6) change the rules applicable to utility outages, and (7) appropriate additional funding for the Authority.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]